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INFO OCT-01 IO-14 ACDA-19 ISO-00 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01

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AMEMBASSY DUBLIN

AMEMBASSY MOSCOW

USMISSION EC BRUSSELS

USDEL MBFR VIENNA

USMISSION GENEVA

S E C R E T SECTION 1 OF 3 USNATO 3683

E.O. 11652: GDS

TAGS: PFOR, NATO

SUBJ: ASSESSMENT OF THE ALLIANCE: MID-YEAR 1974

GENEVA FOR USDEL CSCE

SUMMARY: FOLLOWING A PERIOD OF TURBULENCE IN U.S.-EUROPEAN RELATIONS, AND IN EC-9 RELATIONS WHICH AFFECTED ATLANTIC RELATIONS, THE ATLANTIC ALLIANCE CAPPED ITS FIRST QUARTER-CENTURY AND THE QUARTER-YEAR JUST CLOSED WITH ITS FIRST SUMMIT MEETING IN 17 YEARS. CALLED TOGETHER FOR THE SIGNING AND PROMULGATION OF A DECLARATION ON ATLANTIC DECLARATIONS, NATO CHIEFS OF GOVERNMENT PLEDGED THEIR GOVERNMENTS AGAIN TO COMMON PRINCIPLES AND OBJECTIVES. EXPANDED ALLIED CONSULTATIONS FIGURED MOST PROMINENTLY AMONG THE GOALS ENUNCIATED IN THE DECLARATION AND WERE THE SUBJECT OF RENEWED COMMITMENTS TAKEN AT THE HIGHEST LEVELS BY THE LEADERS OF THE UNITED STATES AND OTHER ALLIED GOVERNMENTS. MUCH OF THE RENEWED SPIRIT OF COHESION WITHIN
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THE ALLIANCE STEMMED FROM THE STOCK-TAKING WHICH WAS ESSENTIAL TO THE PREPARATION OF THE ATLANTIC DECLARATION AND THE SUMMIT MEETING. MUCH IS ALSO DUE TO THE MORE EFFECTIVE, LESS DOGMATIC LEADERSHIP PROVIDED GERMANY AND FRANCE BY THE COMING TO POWER OF SCHMIDT AND

GISCARD.

THE RENEWAL OF AN ALLIANCE SENSE OF PURPOSE PROVIDES A BETTER FOUNDATION FOR PRODUCTIVE FUTURE WORK ON A VARIETY OF POLITICAL AND DEFENSE-RELATED ISSUES. SUCCESS WILL DEPEND, HOWEVER ON THE WILLINGNESS OF EACH OF THE ALLIES, INCLUDING AND PERHAPS ESPECIALLY THE U.S., TO LIVE UP TO THE COMMITMENTS -- ON ALLIANCE CONSULTATION, ON DETENTE-MANAGEMENT, ON GREATER DEFENSE COOPERATION, AND CLOSER ECONOMIC CORRINATION -- BOTH IMPLICIT AND EXPLICIT IN THE ATLANTIC DECLARATION. MUCH WILL DEPEND TOO ON THE SUCCESS WITH WHICH INDIVIDUAL ALLIED GOVERNMENTS ARE ABLE TO MEET SERIOUS NEW CHALLENGES IN THE ECONOMIC SPHERE AND IN THE RELATED AREAS OF GOVERNMENTAL AND POLITICAL STABILITY. END SUMMARY.

1. THE FIRST NATO HEADS OF GOVERNMENT MEETING SINCE 1957 TOOK PLACE ON JUNE 26. ON THAT OCCASION, PRESIDENT NIXON AND OTHER ALLIED LEADERS SIGNED A DECLARATION ON ATLANTIC RELATIONS REDEDICATING THEIR GOVERNMENTS AND PEOPLES TO COMMON GOALS AND SHARED IDEALS. AS ONE HIGHLY VISIBLE RESPONSE TO SECRETARY KISSINGER'S CALL IN APRIL 1973 FOR A REVITALIZED ALLIANCE, THE DECLARATION MIGHT ALSO BE SEEN AS BOTH THE SYMBOLIC END TO A DIFFICULT PHASE IN ATLANTIC RELATIONS AND THE BEGINNING OF A MORE HOPEFUL PERIOD. COMING SOON AFTER OTHER AUSPICIOUS DEVELOPMENTS (E.G., THE RESOLUTION OF U.S.-EC TRADE ISSUES, THE IMF GROUP OF TWENTY AGREEMENT ON INTERIM FINANCIAL MEASURES, AND THE SYRIAN-ISRAELI DISENGAGEMENT WHICH HAS RAISED HOPES FOR GREATER MIDDLE EAST STABILITY), THE POLITICAL WILL WHICH IS MANIFEST IN THE ATLANTIC DECLARATION WILL CLEARLY HELP TO PUT INTRA-ALLIANCE AND PERHAPS EAST-WEST RELATIONS AS WELL ON A MORE SECURE AND BALANCED FOOTING.

2. EARLIER THIS YEAR, THE ALLIANCE WAS PLAGUED BY PROBLEMS RESULTING FROM EUROPEAN ATTEMPTS TO DEFINE THE POLITICAL DIMENSION OF THE EUROPEAN COMMUNITY -- AN ATTEMPT IN WHICH THE EFFORTS OF GAULLIST FRANCE OFTEN SEEMED DIRECTED AT BUILDING EUROPE BY CHALLENGING THE UNITED STATES. THE ALLIANCE ALSO REMAINED TROUBLED BY THE LEGACY OF THE OCTOBER 1973 MIDDLE EAST WAR AND BY SUSPICIONS ABOUT THE ULTIMATE AIM OF U.S. DEALINGS WITH THE USSR.

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WHILE THE FIRST QUARTER OF 1974 PROVIDED FEW SIGNS OF RAPID CHANGE FOR THE BETTER, THE SECOND CONSTITUTED ONE OF THE MOST THOUGHTFUL AND PRODUCTIVE PERIODS IN RECENT ALLIANCE HISTORY. MUCH OF THIS PROGRESS CAME FROM THE MOUNTING EVIDENCE THAT CURRENT WORLD POLITICAL AND ECONOMIC PROBLEMS ARE SIMPLY TOO LARGE TO BE DEALT WITH BY NATIONS INDIVIDUALLY -- EVEN BY GLOBAL POWERS LIKE THE U.S. OR GROWING ONES LIKE THE NINE. MUCH PROGRESS ALSO -- PERHAPS PRIMARILY -- DEPENDED ON THE CHANGE DURING THE QUARTER IN THE GOVERNMENTS OF GERMANY AND FRANCE, WHERE THE ADVENT TO POWER OF SCHMIDT AND GISCARD BROUGHT A MORE FORCEFUL, LESS DOCTRINAIRE APPROACH TO ISSUES FACING THE ALLIANCE.

3. IN THE CONTEXT OF U.S.-SOVIET DETENTE, A MORE REASONED OUTLOOK

ON THE PART OF EUROPEAN GOVERNMENTS REPLACED EARLIER SUSPICIONS, LARGELY BECAUSE OF U.S. WILLINGNESS TO CONSULT ON ME DEVELOPMENTS AND ON THE SECRETARY'S MEETING IN MOSCOW. THIS NEW-FOUND TRUST MIGHT ONLY BE TRANSITORY, HOWEVER, UNLESS MORE ATTENTION IS PAID WITHIN THE ALLIANCE TO DEVELOPING A COMMON AND REALISTIC IDEA OF THE CONTENTS AND GOALS OF EAST-WEST DETENTE POLICY. MUCH WORK HAS BEEN DONE WITHIN NATO IN THE PAST ON PREPARING FOR EAST-WEST NEGOTIATIONS ON SPECIFIC SUBJECTS OR FOR IMPENDING CONTACTS BETWEEN INDIVIDUAL NATO AND WARSAW PACT LEADERS. MUCH WORK REMAINS TO BE DONE IN DEVELOPING AN OVERALL ASSESSMENT OF WHAT GOALS THE EAST HAS SET FOR DETENTE AND HOW THESE MIGHT BEST BE TURNED TO NATO'S NEGOTIATING ADVANTAGE. MOREOVER, WHILE SUCH AN ASSESSMENT IS GOING FORWARD, THE UNITED STATES WILL FOR ITS PART HAVE TO REMAIN SCRUPULOUSLY CAREFUL ABOUT ITS CONSULTATION RECORD IN SUCH BILATERAL NEGOTIATING AREAS AS SALT AND NUCLEAR ARMS CONTROL. RECENT STATEMENTS BY THE PRESIDENT AND THE SECRETARY HAVE RENEWED THE UNITED STATES COMMITMENT TO CONSULT METICULOUSLY IN THIS AND OTHER AREAS. AT THE NATO SUMMIT, FOR EXAMPLE, THE PRESIDENT PLEDGED THAT

"ON THE CSCE, ON MBFR AND ON ALL OTHER MULTILATERAL ISSUES IN WHICH THE INTERESTS OF OUR ALLIES ARE ENGAGED, AMERICAN POSITIONS WILL CONTINUE TO BE DEVELOPED IN FULL CONSULTATION AND CONCERT WITH OUR ALLIES. WE WILL CONSULT FULLY, AS WE DID BEFORE ON SALT. WE WILL NEVER SACRIFICE THE INTERESTS OF OUR ALLIES TO ACHIEVE AGREEMENT WITH THE SOVIET UNION IN ANY AREA." AND, AT NATO'S SPRING
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MINISTERIAL MEETING IN OTTAWA, SECRETARY KISSINGER ASSERTED THAT

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AMEMBASSY DUBLIN

AMEMBASSY MOSCOW
USMISSION EC BRUSSELS
USDEL MBFR VIENNA
USMISSION GENEVA

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"...THE OBLIGATION OF CONSULTATION WILL BE FULFILLED METICULOUSLY ON OUR PART, NOT BECAUSE PARAGRAPH 11 (OF THE ATLANTIC DECLARATION) IS DRAFTED IN SUCH A MANNER THAT WE HAVE NO CHOICE, BUT RATHER BECAUSE WE HOPE THAT THE SPIRIT OF COOPERATION IN THE ALLIANCE WILL REACH A POINT WHERE OUR RECOGNITION OF OUR COMMON INTERESTS IS SO GREAT THAT WE DO NOT BELIEVE THAT WE HAVE THE POSSIBILITY OF TAKING MAJOR ACTION WITHOUT THE SUPPORT AND THE UNDERSTANDING OF OUR ALLIES." OUR PERFORMANCE MUST MATCH THESE PLEDGES AND WILL REMAIN AN IMPORTANT SYMBOL AND SIGNAL FOR THE EUROPEANS. BY THE SAME TAKEN, THE U.S.S. MUST, JUST AS SCRUPULOUSLY, INSIST ON RECIPROCITY FROM THE EUROPEANS.

4. DURING THE PAST QUARTER, THE ALLIANCE TOOK POSITIVE ACTION IN A WIDE VARIETY OF SUBSTANTIVE FIELDS AND BROKE NEW GROUND IN SOME OF THEM. ON MBFR, THE NORTH ATLANTIC COUNCIL, DRAWING ON INSTRUCTIONS FROM NATIONAL CAPITALS, CONTINUED TO PROVIDE COORDINATED POLICY POSITIONS FOR ALLIED NEGOTIATORS IN VIENNA.

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IN WHAT IS THE MOST ADVANCED FORM OF MULTINATIONAL CONSULTATION, I.E., THAT OF DEVELOPING A COORDINATED POSITION AS AGREED WESTERN POLICY ON MBFR, THE EFFORT HAS PROVED THAT THE ALLIANCE CAN BE CONSTRUCTIVELY EMPLOYED IN THE MANAGEMENT OF EAST-WEST RELATIONS.

5. THE HEADS OF GOVERNMENT CONSULTATIONS AND SECRETARY KISSINGER'S FORTHCOMING BRIEFING TO THE NAC ON JULY 4 PROMISE TO GIVE NEW IMPETUS TO THE VIEW THAT ALLIANCE CONSULTATIONS SHOULD BE INTENSIFIED AND THAT MATTERS BEYOND THE TREATY AREA DESERVE GREATER ATTENTION AND CONCERN. PARAGRAPH 11 OF THE ATLANTIC DECLARATION GAVE WRITTEN EXPRESSION TO THIS RESOLVE. THE MORE DIFFICULT PROBLEM NOW REMAINS TO GIVE MORE CONSISTENT FORM AND CONTENT TO CONSULTATIONS ON EXTRA-NATO DEVELOPMENTS. WORK SHOULD, FOR EXAMPLE, BE CONTINUED ON KNOWN OR PROSPECTIVE TROUBLE SPOTS SUCH AS YUGOSLAVIA AND THE MIDDLE-EAST -- NOT SO THAT COMMON ALLIANCE CONTINGENCY PLANNING MIGHT BE DEVELOPED BUT THAT, AT A MINIMUM, THE ALLIES WILL HAVE A COMMON UNDERSTANDING OF THE ISSUES INVOLVED. HERE TOO, THE UNITED STATES WILL BE EXPECTED TO LIVE UP TO ITS APPEAL FOR FULL AND FREQUENT CONSULTATIONS.

6. IN ACCEPTING NEW FORMS AND TOPICS OF CONSULTATION, THE ALLIANCE HAS CLEARLY ESTABLISHED THAT THERE NEED BE NO CONFLICT BETWEEN EC POLITICAL CONSULTATIONS AND CONSULTATIONS AMONG THE FIFTEEN. THE DEVELOPMENT OF COMPATIBLE POSITIONS ON CSCE -- WHICH

DURING THE PAST QUARTER INCLUDED TWO COUNCIL REVIEWS WITH THE PARTICIPATION OF CHIEFS OF NATO CSCE DELEGATIONS -- BEARS AMPLE WITNESS TO THAT FACT.

7. THE CONCIL IN MINISTERIAL SESSION ALSO DEMONSTRATED THAT IT HAS THE FLEXIBILITY TO ADAPT TO NEW CIRCUMSTANCES BY CHANGING THE TRADITIONAL FORMAT OF SUCH MEETINGS, MOVING AWAY FROM THE USUAL TOUR D'HORIZON APPROACH AND ENGAGING INSTEAD IN AN ISSUE-ORIENTED DEBATE IN WHICH MINISTERS GRAPPLED WITH SPECIFIC PROBLEMS OF ALLIANCE CONCERN ON AN ITEM-BY-ITEM BASIS. THE PRESENCE OF MANY NEW FACES, REPRESENTING TO AN IMPORTANT DEGREE NEW POLICIES OR MORE CONSTRUCTIVE NUANCES TO OLD POLICIES, UNDOUBTEDLY CONTRIBUTED TO THIS NEW FLEXIBILITY.

8. IN ANOTHER USEFUL DEVELOPMENT, THE ALLIES GAVE FULL RECOGNITION IN THE ATLANTIC DECLARATION TO THE VITAL NEED FOR
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PARLIAMENTARY SUPPORT FOR ALLIANCE GOALS AND ACTIVITIES. PRIME MINISTER- WILSON ECHOED THIS VIEW IN HIS REMARKS AT THE NATO SUMMIT AND CALLED FOR THE ALLIANCE TO CONTINUE TO PROVIDE THE MEANS FOR PARLIAMENTARIANS AND THE PEOPLE TO ADD "THAT NECESSARY DEMOCRATIC DIMENSION" TO THE WORK OF THE ALLIANCE.

9. THE ROLE OF THE ALLIANCE IN HELPING TO MAINTAIN AN EFFECTIVE DEFENSE WAS AGAIN DEMONSTRATED IN THIS QUARTER WHEN THE NATO ALLIES IN THE DPC ASSERTED VIGOROUS AND VIRTUALLY UNANIMOUS CENSURE OF THE DUTCH GOVERNMENT'S PROPOSALS TO MAKE RADICAL CUTS IN NATO-COMMITTED FORCES, PARTICULARLY THE ARMY. PERMREPS AND MINISTERS ALIKE POINTED OUT THE DAMAGING EFFECT FOR WESTERN RESOLVE WHICH PRE-MBFR CUTS WOULD HAVE. THROUGHOUT THE REVIEW OF THE DUTCH PROPOSALS, HOWEVER, UK REPS HAVE BEEN GUARDED IN THEIR CRITICISM WHILE THEIR OWN DEFENSE REVIEW CONTINUES. ALSO IN THE DPC, THE ALLIES AGREED TO U.S. INITIATIVES FOR TRANSLATING THE NATO MILITARY AUTHORITIES' FORCE PROPOSALS INTO EXPLICIT NATO FORCE GOALS WHICH POSE A MORE REASONABLE AND MORE ACHIEVABLE CHALLENGE TO EACH ALLY AND INCLUDE A NUMBER OF DESIRABLE NO COST/LOW COST GOALS, AS WELL AS SOME HAVING NATO STANDARDIZATION POTENTIAL.

10 DURING THE SECOND QUARTER, THE ALLIES WERE ENGAGED IN CONSULTATIONS ON A VARIETY OF OTHER DEFENSE-RELATED ISSUES WHICH THE U.S. CONSIDERED IMPORTANT. IN THE NPG THEY HEARD BRIEFINGS ON RECENT DEVELOPMENTS IN AND MODIFICATIONS TO U.S. STRATEGIC TARGETING DOCTRINE, AND AGREED THAT THE NEW U.S. APPROACH ENHANCED NATO DETERRENCE AND REDUCED THE RISK OF AN OUTBREAK OF HOSTILITIES. IN ONGOING DISCUSSIONS AIMED AT ENHANCING NATO'S ANTI-ARMOUR DEFENSE CAPABILITIES, ALLIES WELCOMED THE THRUST OF U.S. AND FRG BRIEFINGS WHICH SET FORTH THE GREATLY INCREASED ANTI-ARMOUR CAPABILITIES OF U.S. MECHANIZED INFANTRY BATTALIONS, AND DEMONSTRATED THE INCREASED SIMILARITY OF BOTH COUNTRIES' VIEWS ON DEFENSE AGAINST THE

WARSAW PACT THREAT. IN WEAPONS STANDARDIZATION AND COOPERATION FOR DEVELOPMENT, THE ALLIES UNDERTOOK TO INCREASE THEIR EFFORTS AND INDICATED SPECIFIC AREAS FOR CONCENTRATION WHICH INCLUDED AIRBORNE EARLY WARNING, AIRCRAFT DETECTION AND TRACKING, ELECTRONIC WARFARE, REPLACEMENT OF F104G AIRCRAFT, STANDARDIZATION OF RIFLE AMMUNITION AND A NEW RIFLE FOR THE 1980'S.

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AMEMBASSY DUBLIN

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USDEL MBFR VIENNA

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11. A PROGRESS REPORT WILL BE PREPARED FOR CAREFUL REVIEW NEXT DECEMBER ON THE ACHIEVEMENT OF GREATER RATIONALIZATION OF RESOURCES COMMITTED TO NATO'S DEFENSE. THE ALLIES HEARD A U.S. BRIEFING IN MAY ON THE DESIRABILITY OF ESTABLISHING COLLOCATED BASES TO RECEIVE U.S. REINFORCEMENT AIRCRAFT. SINCE THEN, THE UK HAS SIGNED A MEMORANDUM OF UNDERSTANDING, THE FRG, NETHERLANDS AND NORWAY HAVE AGREED TO THE CONCEPT, AND ITALY AND TURKEY HAVE SHOWN CONSIDERABLE INTEREST IN IT.

12. IN ITS EFFORTS TO ACHIEVE POSITIVE RESULTS IN BURDENSARING, THE ALLIANCE'S EFFORTS CAME CLOSER TO FRUITION DURING 1974'S SECOND QUARTER. THE ECONOMIC DIRECTORATE CONTINUES TO COLLECT NATIONAL INFORMATION ON DEFENSE PROCUREMENTS FROM U.S. SOURCES,

AND REFINEMENTS ARE BEING MADE IN COORDINATION WITH U.S. OFFICIALS. MEANWHILE, THE NAC DIRECTED THE DEPUTY SYG TO SUPPLEMENT

THE ABOVE ACTIVITY THROUGH MEETINGS OF NATIONAL FINANCIAL ADVISORS
IN AN EFFORT TO ACHIEVE LOWER U.S. COST SHARES IN THE CIVIL AND
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MILITARY BUDGETS, THE CENTRAL EUROPE PIPELINE DIFICIT, AND THE
INFRASTRUCTURE PROGRAM. IN THE INFRASTRUCTURE PROGRAM, EUROPEAN
NATIONS (LESS THE UK) HAVE MADE PROGRESS TOWARD DEVELOPING AN
ACCEPTABLE OFFER TO THE U.S. FROM BOTH SIZE AND COST SHARING
ASPECTS. DURING THE JUNE DPC MINISTERIAL THE UK PROMISED TO
EXAMINE FAVORABLY THE CURRENT EUROPEAN PROPOSAL.

13. IF THE GENERAL CLIMATE OF TRANSATLANTIC RELATIONS HAS
RECENTLY CHANGED TO THE ALLIANCE'S ADVANTAGE, ALMOST ALL
EUROPEAN ALLIES CONTINUE TO BE PRISONERS OF IMPORTANT DOMESTIC
UNCERTAINTIES. THE ECONOMIC SITUATION IN WESTERN EUROPE, FOR
EXAMPLE REMAINS TROUBLED BY MONETARY AND BOP PROBLEMS,
BY INFLATION, BY DEPENDENCE ON HIGH-PRICED
EXTERNAL SOURCES OF RAW MATERIALS, PARTICULARLY OIL,
AND BY SEEMINGLY INTRACTABLE PROBLEMS IN MOVING TOWARD FURTHER
COOPERATION AMONG THE NINE. NOT WITHOUT REASON DID CHANCELLOR
SCHMIDT REMIND THE ALLIES AT THE JUNE 26 SUMMIT THAT THIS WHOLE
RANGE OF ECONOMIC PROBLEMS CONSTITUTED A GREATER THREAT
TO ALLIANCE SECURITY AT THE PRESENT TIME THAN ANY EXTERNAL
CHALLENGE WHICH IT CURRENTLY FACES. SCHMIDT QUITE CORRECTLY
DREW THE CONCLUSION THAT SUCH SERIOUS MATTERS WERE FIT SUBJECTS
FOR ALLIANCE COORDINATION AND CONSULTATION; FOR, SHOULD THE ALLIES
FAIL TO ADEQUATELY MEET THIS CHALLENGE, SERIOUS PROBLEMS
COULD WELL RE-EMERGE BOTH WITHIN THE EUROPEAN FRAMEWORK AND BETWEEN
THE UNITED STATES AND ITS NATO ALLIES. OBVIOUSLY, THE NEW
GOVERNMENTS IN BONN AND PARIS SEE ECONOMIC PROBLEMS AS THEIR
FIRST PRIORITY TASK.

14. WHIL IT IS POSSIBLE THAT WESTERN EUROPE MAY BE ABLE TO
RESUME ITS RECORD ECONOMIC GROWTH, THERE ARE MANY OPEN
QUESTIONS AT THIS POINT, AND THE POSSIBILITIES FOR MONETARY
BREAKDOWN OR EVEN BROADER AND MORE SERIOUS FAILURE CANNOT BE
DISCOUNTED. THE EUROPEANS KNOW THIS, AND WITH THE TRAUMA OF
THE FIRST MONTHS OF 1974 BEHIND THEM, WE MIGHT EXPECT
THEN -- AS SCHMIDT SUGGESTED -- TO MAKE A CONCERTED EFFORT
TOWARDS REACHING ESSENTIAL INNER-EUROPEAN AGREEMENT ON KEY
ECONOMIC ISSUES AND TO MEET WHAT MANY INCREASINGLY THINK ARE
JUSTIFIED U.S. DEMANDS FOR U.S./EUROPEAN CONSULTATION. WHETHER
EUROPEAN GOVERNMENTS WILL BE SUCCESSFUL IN RESTORING ECONOMIC
AND POLITICAL STABILITY WILL DEPEND TO A LARGE DEGREE ON THE
ABILITY OF MANY NATIONAL GOVERNMENTS TO GAIN SUFFICIENTLY
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STRONG DOMESTIC POLITICAL MANDATES TO TAKE THE NECESSARY
INTERNAL AND MULTILATERAL MEASURES. SUSTAINED EFFORT ON THE
PART OF THE U.S. WILL CONTINUE TO BE NECESSARY.

15. OVER THE COMING PERIOD THE ALLIES WILL HAVE TO FOCUS BOTH ON FAMILIAR SUBJECTS AS WELL AS ON A NUMBER OF NEW ONES. ON MBFR, FOR EXAMPLE, THE ALLIES WILL NEED TO CONSIDER THE SUBSTANTIVE REQUIREMENTS FOR IMPROVING THE NEGOTIABILITY OF THEIR BARGENING POSITION. THE QUESTION OF WHETHER A NUCLEAR OPTION IS TO BE INTRODUCED WILL PROBABLY DOMINATE THIS DEBATE. ON THE DEFENSE SIDE, THE ALLIANCE WILL BE CHALLENGED TO RESIST FURTHER PRESSURES WITHIN SEVERAL COUNTRIES (ESPECIALLY THE UK AND THE NETHERLANDS) TO REDUCE CONVENTIONAL FORCE COMMITMENTS. PARTLY TO OFFSET THESE PRESSURES, AND PARTLY IN RESPONSE TO SECRETARY SCHLESINGER'S INITIATIVES, THE ALLIES WILL BE SEEKING MEANS TO STANDARDIZE EQUIPMENT, TO RATIONALIZE DEFENSE PROGRAMS, AND COORDINATE THEIR DEFENSE ACTIVITIES MORE EFFECTIVELY. ALLIED REACTION TO THE FORTHCOMING U.S. PAPER ON THESE QUESTIONS WILL PROVIDE AN EARLY INDICATION OF HOW SERIOUSLY THEY INTEND TO FULFIL THE SPIRIT OF GREATER DEFENSE COOPERATION THAT IS IMPLICIT IN THE ATLANTIC DECLARATION.

16. IN THEIR POLITICAL RELATIONSHIPS, THE ALLIES WILL HAVE TO PAY INCREASINGLY CAREFUL, IF UNOBTRUSIVE, ATTENTION TO DOMESTIC POLITICAL DEVELOPMENTS IN THE MEMBER COUNTRIES. THE WHOLE SOUTHERN FLANK OF NATO IS SHOWING SIGNS OF INSTABILITY AND CRISES MAY DEVELOP IN ANY ONE OF SEVERAL PLACES IN THE NEXT FEW MONTHS. ITALY IS CONTENDING WITH ITS MOST SERIOUS COMBINATION OF ECONOMIC AND POLITICAL PROBLEMS SINCE WORLD WAR II. THE GREEK-TURKISH DISPUTE CONTINUES TO SMOLDER. THE QUESTION OF GREECE (AS THE ONLY ALLY HAVING AN EXPLICIT AND PERHAPS INCREASINGLY UNSTABLE AUTHORITARIAN REGIME) WILL ALSO REQUIRE CAREFUL SECURITY. IN THE CASE OF PORTUGAL, THE UNCERTAINTY OF RELATIONS WITH A GOVERNMENT THAT IS ACTIVELY SEEKING THE SUPPORT OF ITS ALLIES BUT WHOSE DIRECTION IS HIGHLY UNCERTAIN AND WORSE GOVERNMENT CONTAINS TWO COMMUNIST MINISTERS, WILL ALSO REQUIRE ALLIED CONSIDERATION AT NUMEROUS POLICY AND TECHNICAL LEVELS. RUMSFELD.

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